## **Amendment to the Claims**

This listing of claims will replace all prior versions, and listings, of claims in the application.

- 1. (Currently Amended) A method for compressing still images that are stored in electronic media comprising the step of:
  - a. selecting the image to be compressed;
  - b. selecting the desired degree of compression;
  - c. constructing non-separable wavelet filters, based on the desired degree of compression for the image, for decomposition of the image by non-separable wavelet transformation;
  - d. transforming the image into an array of frequency coefficients of the pixels by executing one level of decomposition for each filter;
  - e. sorting said frequency coefficients in descending order;
  - [e.] f. quantizing the values of the frequency coefficients; and
- [f.] g. encoding the quantized values by run length and arithmetic coding methods; whereby the image is restored in the YCbCr format through the use of a pre-designated reconstruction formula; and transformed into the RGB palette after reconstruction is complete.

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